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SECURITIES AND EXCHANGE COMMISSION

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Washington, D. C. 20549

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Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended March 31, 1992 Commission File No. 0-16992

CONCORDE CAREER COLLEGES, INC.
(exact name of registrant as specified in its charter)

Delaware	43-1440321
(State of other jurisdiction of Incorporation or Organization)	(I. R. S. Employer Identification Number)

10th Floor, City Center Square
12th & Baltimore, P. O. Box 26610
Kansas City, Missouri 64196
(Address of Principal Executive Office) (Zip Code)

Registrant's telephone number, including are code: (816) 474-4750

Securities registered pursuant to Section 12(g) of the Act:

Common Stock $.10 Par Value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No ____ (2) Yes X No ____

As of May 7, 1992, ConCorde Career Colleges, Inc. had 6,952,176 shares of Common Stock outstanding, with a market value of $3,476,000.

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CONCORDE CAREER COLLEGES, INC.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 1992 and DECEMBER 31, 1991

ASSETS

	March 31, 1992	December 31, 1991
CURRENT ASSETS:		
Cash	$ 267,000	$ 833,000
Refundable income taxes	1,200,000	1,490,000
Net receivables		
Accounts receivable	17,197,000	17,446,000
Notes receivable for student tuition	4,554,000	2,960,000
Allowance for uncollectible accounts	(4,527,000)	(3,331,000)
	17,224,000	17,075,000
Supplies, prepaid expenses and other current assets	1,353,000	1,422,000
Total current assets	20,044,000	20,820,000
Net assets of home study school	----	7,223,000
Allowance for loss on disposition	----	(7,223,000)
	----	----
PROPERTY AND EQUIPMENT, AT COST:		
Furniture and equipment	8,973,000	8,562,000
Leasehold improvements	3,304,000	3,274,000
Building and land	699,000	699,000
	12,976,000	12,535,000
Less-accumulated, depreciation and amortization	(6,343,000)	(6,067,000)
	6,633,000	6,468,000
COST IN EXCESS OF NET TANGIBLE ASSETS, less accumulated amortization of $2,949,000 at March 31 and $2,859,000 at December 31, respectively	3,731,000	4,054,000
OTHER ASSETS:		
Long-term notes receivable for student tuition	17,960,000	15,929,000
Allowance for uncollectible accounts	(3,367,000)	(3,126,000)
Other	607,000	617,000
Total other assets	15,200,000	13,420,000
	$45,608,000	$44,762,000

CONCORDE CAREER COLLEGES, INC.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 1992 and DECEMBER 31, 1991

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1992	December 31, 1991
CURRENT LIABILITIES:		
Deferred student tuition	$15,810,000	$14,384,000
Current maturities of long-term debt	8,214,000	----
Accounts payable	1,282,000	1,455,000
Accrued salaries and wages	1,151,000	1,006,000
Other accrued liabilities	1,120,000	1,818,000
Total current liabilities	27,577,000	18,663,000
LONG-TERM DEBT	5,480,000	13,818,000
DEFERRED INCOME TAXES	921,000	987,000
STOCKHOLDERS' EQUITY		
Common stock	698,000	698,000
Capital in excess of par	5,158,000	5,158,000
Retained earnings	5,835,000	5,499,000
Treasury stock, at cost	(61,000)	(61,000)
Total stockholders' equity	11,630,000	11,294,000
	$45,608,000	$44,762,000

CONCORDE CAREER COLLEGES, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 1992 and 1991

	Quarter Ended March 31, (Unaudited)	
	1992	1991
REVENUE:		
Resident schools	$11,267,000	$10,714,000
Home study	----	1,201,000
CPA review courses	1,105,000	1,085,000
Total revenue	12,372,000	13,000,000
OPERATING EXPENSES:		
Payroll costs	4,435,000	4,337,000
Occupancy	1,794,000	1,608,000
Instructional materials and supplies	1,334,000	1,337,000
Advertising	947,000	1,005,000
Other general and administrative	1,347,000	1,168,000
Provision for uncollectible accounts	1,618,000	944,000
Total operating expenses	11,475,000	10,399,000
OPERATING INCOME	897,000	2,601,000
INTEREST AND DEBT EXPENSE	336,000	331,000
INCOME BEFORE INCOME TAXES	561,000	2,270,000
PROVISION FOR INCOME TAXES	225,000	964,000
NET INCOME	$ 336,000	$1,306,000
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	6,952,176	6,952,176
EARNINGS PER WEIGHTED AVERAGE COMMON SHARE	$0.05	$0.19
CASH DIVIDENDS PER COMMON SHARE	$ -0-	$ -0-

CONCORDE CAREER COLLEGES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1992 and 1991

(Unaudited)

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 336,000	$1,306,000
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation and amortization	390,000	555,000
Provision for losses on accounts receivable	1,618,000	944,000
Change in assets and liabilities, net of effect from acquisitions -		
Decrease in refundable income taxes	290,000	608,000
Increase in accounts receivable	(3,558,000)	(5,135,000)
Increase in deferred student tuition	1,426,000	1,288,000
Increase in deferred revenue-other	----	459,000
Other changes in assets and liabilities, net	(464,000)	(464,000)
Increase (decrease) in deferred income taxes	(66,000)	27,000
Total adjustments	(364,000)	(1,718,000)
Net cash used in operating activities	(28,000)	(412,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(447,000)	(732,000)
Net cash used in investing activities	(447,000)	(732,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in notes payable	----	1,850,000
Principal payments on long-term debt	(562,000)	(368,000)
Net change in revolving credit agreement	471,000	—
Net cash provided by (used in) financing activities	(91,000)	1,482,000
NET INCREASE (DECREASE) IN CASH	(566,000)	338,000
CASH AT BEGINNING OF PERIOD	833,000	856,000
CASH AT END OF PERIOD	$ 267,000	$ 1,194,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 351,000	$ 126,000
Income taxes	25,000	2,000
Cash received during the period for:		
Interest	90,000	3,000
Income tax refunds	----	18,000

CONCORDE CAREER COLLEGES, INC., AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 1992

The condensed interim financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest Form 10-K Annual Report for 1991 which was filed by the Company on May 8, 1992.

The information included in these interim financial statements reflect all normal recurring adjustments which are, in the opinion of management, necessary to fairly state the results of the periods presented.

Due to the inherent seasonal nature of the career training business, annualization of amount in these interim financial statements may not necessarily be indicative of the actual operating results for the full year.

SALES OF UNREGISTERED SECURITIES: None

Item 2.) Management's Discussion and Analysis of Financial Condition and Results of Operations

The following table presents the revenue for each category of School, the CPA Review Courses and the Home Study Courses for the periods indicated. Amounts are in thousands.

	Year Ended December 31,			Three Months Ended March 31,	
	1991	1990	1989	1992	1991
Health Vocational & Computer Courses	$43,086	$35,439	$33,533	$10,850	$10,194
Travel Service Courses	1,120	1,086	1,646	196	192
Paralegal Courses	1,199	914	203	221	328
CPA Review Courses	3,138	3,647	3,653	1,105	1,085
Home Study Courses	4,565	5,131	—	0	1,201
Total	$53,108	$46,217	$39,035	$12,372	$13,000

The following table presents the relative percentage of revenues derived from each category of Resident School Courses, the CPA Review Courses and Home Study Courses and certain consolidated statement of earning items as a percentage of total revenue for periods indicated.

	Year Ended December 31,			Three Months Ended March 31,	
	1991	1990	1989	1992	1991
Health Vocational & Computer Courses	81.2	76.7	85.9	87.7	78.8
Travel Service Courses	2.3	2.3	4.2	1.6	2.4
Paralegal Courses	2.1	2.0	0.5	1.8	1.8
CPA Review Courses	5.9	7.9	9.4	8.9	10.5
Home Study Courses	8.5	11.1	—	0.0	8.5
Total	100.0	100.0	100.0	100.0	100.0
Operating expenses:					
Payroll	36.3	35.3	34.7	35.8	33.3
Occupancy	13.3	12.8	14.9	14.5	12.4
Materials and supplies	9.1	8.4	6.9	10.8	10.3
Advertising	8.5	8.5	8.7	7.7	7.7
Other general & administrative	10.7	9.0	8.0	10.9	9.0
Provision for uncollectible accounts	18.7	8.0	6.0	13.1	7.3
Loss on disposition of home study school	13.6	—	—	—	—
Total	110.2	82.0	79.2	92.8	80.0
Operating income	-10.2	18.0	20.8	7.2	20.0
Interest expense	2.3	2.1	2.1	2.7	2.6
Income before income taxes.	-12.5	15.9	18.7	4.5	17.4
Provision for income taxes	4.0	7.0	8.1	1.8	7.4
Net income	8.5	8.9	10.6	2.7	10.0

QUARTER ENDED MARCH 31, 1992 COMPARED TO QUARTER ENDED MARCH 31, 1991

Results of Operations

Total revenue decreased 4.8%, or $628,000 to $12,372,000 for the first three months of 1992 compared to $13,000,000 during the same period in 1991. Revenue from the Company's resident schools increased $553,000 or 5.2%, primarily due to an increased number of in house students compared to the same period a year ago. Revenue from the home study operation, SCI, declined by $1,201,000. SCI was disposed of on April 30, 1992 and no revenue was recorded in the current year. Revenue from the CPA Review Course operation increased 1.9% to $1,105,000 compared to $1,085,000, due primarily to price increases.

Total operating expenses, as a percentage of operating revenue, have increased during the first quarter of 1992 compared to the same period in 1991, due primarily to an increase in the Provision for Credit Losses. These operating expenses are discussed below:

Payroll - Increased by $98,000 as compared to the same period a year earlier. This was a nominal increase of 2.2%. The Company believes that payroll costs will continue to increase in the future as the Company continues to hire more and better qualified personnel.

Occupancy - Increased 11.6% from $1,608,000 to $1,794,000, primarily due to increases in insurance costs and facility rentals.

General and Administrative - Increased by $179,000, a 15.3% increase. The two items which contributed to the increase were professional fees and costs associated with the disposition of SCI. The increase in professional fees is due primarily to increased utilization of legal and finance related firms, which reflects the continuing uncertainty within the industry relating to increasing government regulation.

Provision for Credit Losses - As previously discussed, the Company has increased the provision due to financing a substantial portion of student tuition through promissory notes receivable because the Company is without student loan lenders in eight of its residence schools. Management cannot predict whether lenders will be available in the future, but believes that the Provision for Credit Losses will remain at relatively high levels for the near term. The provision increased by $674,000 for the quarter ended March 31, 1992, compared to the same period for 1991, a 71.4% increase.

Provision for Income Taxes - The effective income tax rate for the three months ended March 31, 1992 was 40.1% compared to 42.5% for 1991. The disposal of SCI and state income taxes account for the difference between the effective and statutory tax rate.

Liquidity and Capital Resources

CenCor is currently experiencing liquidity problems which may affect its ability to meet the principal and interest payments on outstanding subordinated debt. Since CenCor is the primary obligor on the subordinated debt assumed by the Company, and if CenCor defaults on any of its subordinated debt, such debt will likely be accelerated. Since ConCorde is currently unable to meet these debt payments if they were to all become due immediately, the Company, as well as CenCor, may have to seek protection from creditors under the Bankruptcy Code.

The Company will continue to actively seek alternative methods for its financing and capitalization, including the possible sale or merger of the Company. Management recently engaged an investment banking firm to review the possible sale of the Company.

After January 1, 1991, the Secretary of the Department of Education (DOE) (the Secretary) may initiate proceedings to limit, suspend or terminate ("LS&T") the eligibility of a school to participate in the guaranteed student loan programs if (i) the default rate on loans for students

attending the school is in excess of 60% for the 1990 fiscal year (declining 5% a year to 40% in the 1994 fiscal year) or (ii) for any fiscal year subsequent to 1990, the school has a default rate in excess of 40%, which rate was not reduced by an increment of at least 5% from the preceding year's rate. A school may successfully defend a LS&T proceeding by showing that it has made a diligent effort to implement certain measures recommended in the regulations to address causes of default.

Data is not currently available for the Company to be able to determine the default rates of its Schools for fiscal years after 1989. However, based on COHORT default rates published by the DOE for fiscal year 1989, the Company has six schools with a default rate above 40%, seven Schools with a default rate between 30% and 39%, six Schools with a default rate between 20% and 29% and one School with a default rate below 20%. Although continuation or escalation of such default rates could subject certain Schools to certain of the requirements or sanctions described above, the Company intends to take all measures necessary to enable it to successfully defend any LS&T proceedings which could be brought against any School having default rates exceeding 40%. To date, no proceedings by the Secretary have taken place in connection with any of the Company's Schools.

In light of the many factors surrounding the vocational school industry and the specific events which have directly affected the Company, management has recently developed a strategy which it believes will enhance the Company's position as a viable provider of proprietary vocational training.

Management is aware that the Company will not be successful over the long-term unless its largest schools (in terms of number of students) are able to participate in the guaranteed student loan program. Therefore, management will closely scrutinize the operations and cash flow of its schools currently without lenders and may either close or merge certain schools. Current plans include the merging of the Company's two schools in San Diego, California, which will reduce administrative and operating costs. Additionally, the Company intends to close its school in south Houston due to a pending leasing termination, the lack of a guaranteed student loan lender and negative cash flow.

The Company has also implemented a comprehensive cash flow improvement program. Some of the major aspects of this plan are summarized below:

1. Increase emphasis on gaining access to the lender of last resort in certain states where access is feasible;

2. Commence relationships with other lender guarantee agencies which may assist in securing actual lending banks;

3. Enhance the quality of students attending the schools by increasing emphasis on credit worthiness, raising the minimum entrance test scores and requiring increased payments on promissory notes receivable while attending school;

4. Increase emphasis on student retention and placement;

5. Reduce capital expenditures and other operating expenses where practicable without affecting the quality of the education being provided; and

6. Continue to significantly improve the management information and related operating systems which will provide enhanced efficiencies and improved internal control.

Management believes that this overall strategy will positively affect the operation of the Company. However, the Company cannot predict events which may occur in the future, such as further government regulation and/or changes in the student lending climate, which may cause management to change its strategy.

Inflation and General Economic Conditions

Inflation has not been significant factor to the Company due to the moderate levels of inflation over the past several years. The Company does not foresee any detrimental effects from inflation as long as the inflation rate remains at a normal level. If the rate of inflation increases above the current level, the Company believes it will be able to pass along higher costs through increased tuition rates.

The recent economic recession and the associated high unemployment has helped to increase student enrollments at the Company's resident schools. Historically, these conditions have a positive impact on vocational schools. However, the Company cannot predict whether these conditions will have a positive impact in the future.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

The Company's Schools are sued from time to time by students who are dissatisfied with the results of their course of study. Typically, the claims are based on breach of contract, deceptive advertising and misrepresentation and the students seek reimbursement of tuition. Punitive damages sometimes are also sought. The Company carries liability insurance covering such claims for most of the Schools (subject to certain limitations), with an aggregate limit of $1,000,000 but in several states, statutes do not allow coverage for punitive damages.

Two lawsuits have been filed in the Circuit Court of the State of Oregon for the County of Multnomah, one in June of 1989 on behalf of nine former students and the other in July 1989 on behalf of two former students and a third lawsuit has been filed in The United States District Court for the Western District of Tennessee in May 1990 on behalf of seven former students. These suits allege violations with the students' course of study at the Company's Schools and ask for punitive damages.

The suit instituted in June of 1989 names Computer Career Institute, Inc. ("CCI"), one of the Company's subsidiaries, as defendant and prays for damages in the amount of $77,900 for tuition and lost earnings, plus punitive damages and attorney's fees. On July 21, 1990 a jury verdict in the amount of $323,000, including $170,000 in punitive damages, plus plaintiff's attorney's fees was awarded against CCI in this suit. CCI has appealed this judgment. The Company is of the belief that the award of punitive damages is without merit and the jury award excessive.

The second suit instituted in July 1989 resulted in a judgment against CCI which was satisfied by the Company in April, 1992. The damages alleged in the third suit are, as yet, unspecified. The third suit is still in the pretrial stage. The Company believes that this suit is without merit and intends to defend against it vigorously.

A former landlord brought suit against the Company on August 16, 1990 in the Circuit Court of the thirteenth Judicial Circuit in Hillsborough County, Florida, in a suit styled Renan Investments, Ltd., etal verses ConCorde Career Colleges, Inc. etal (Case No. 90-18365 Div. P). This lawsuit alleges a breach of lease for the non-payment of certain operating expenses, repayment of back rent and a six month early cancellation charge of $70,000. In its defense, the Company has claimed that it was constructively evicted from the premises and that all operating expenses were not justified. Trial is scheduled for May 18, 1992 and the Company intends to vigorously defend the suit.

Item 2.) **Change in Securities - None**

Item 3.) **Defaults Upon Senior Securities - None**

Item 4.) **Submission of Matters to a Vote of Security Holders - None**

Item 5.) **Other Materially Important Events - None**

Item 6.) **Exhibits and Reports on Form 8-K - None**

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CONCORDE CAREER COLLEGES, INC.

DATED: May 13, 1992

By: _____
Jack L. Brozman, President

By: _____
Paul J. Vadovicky, Vice President-Finance